

REFERENCE TITLE: school districts; overrides; election dates

State of Arizona
House of Representatives
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2006

HB 2665

Introduced by
Representatives Nichols, Barnes, Murphy, Pearce, Pierce, Yarbrough,
Senator Martin: Representatives Allen J, Anderson, Biggs, Boone, Burges,
Farnsworth, Gorman, Gray C, Groe, Knaperek, McLain, Quelland, Stump,
Senators Gould, Huppenthal, Verschoor

AN ACT

AMENDING SECTION 15-481, ARIZONA REVISED STATUTES; RELATING TO SCHOOL BUDGET
OVERRIDE ELECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-481, Arizona Revised Statutes, is amended to
3 read:

4 15-481. Override election; budget increases; notice; ballot;
5 effect

6 A. If the proposed budget of a school district exceeds the aggregate
7 budget limit for the budget year, the governing board shall order an override
8 election to be held not less than ninety days from the date of the order for
9 the purpose of presenting the proposed budget to the qualified electors of
10 the school district who shall by a majority of those voting either affirm or
11 reject the budget. In addition, the governing board shall prepare an
12 alternate budget which does not include an increase in the budget of more
13 than the amount permitted as provided in section 15-905. If the qualified
14 electors approve the proposed budget, the governing board of the school
15 district shall follow the procedures prescribed in section 15-905 for
16 adopting a budget that includes the authorized increase. If the qualified
17 electors disapprove the proposed budget, the governing board shall follow the
18 procedures prescribed in section 15-905 for adopting a budget that does not
19 include the proposed increase or the portion of the proposed increase that
20 exceeds the amount authorized by a previously approved budget increase as
21 prescribed in subsection P of this section.

22 B. The county school superintendent shall prepare an informational
23 report on the proposed increase in the budget and a sample ballot and, at
24 least thirty-five days prior to the election, shall transmit the report and
25 the ballot to the governing board of the school district. For a school
26 district located in a county with a population of two hundred thousand
27 persons or more, the governing board, upon receipt of the report and the
28 ballot, shall mail or distribute the report and the ballot to the households,
29 in which qualified electors reside, within the school district at least
30 thirty days prior to the election. For a school district located in a county
31 with a population of less than two hundred thousand persons, the governing
32 board, upon receipt of the report and the ballot, shall mail or distribute
33 the report and the ballot to the households within the school district at
34 least thirty days prior to the election. Any distribution of material
35 concerning the proposed increase in the budget shall not be conducted by
36 children enrolled in the school district. The report shall contain the
37 following information:

- 38 1. The date of the election.
- 39 2. The polling places and times they are open.
- 40 3. The proposed total increase in the budget which exceeds the amount
41 permitted pursuant to section 15-905.
- 42 4. The total amount of the current year's budget, the total amount of
43 the proposed budget and the total amount of the alternate budget.
- 44 5. If the override is for a period of more than one year, a statement
45 indicating the number of years the proposed increase in the budget would be

1 in effect and the percentage of the school district's revenue control limit
2 that the district is requesting for the future years.

3 6. The proposed total amount of revenues which will fund the increase
4 in the budget and the amount which will be obtained from a levy of taxes upon
5 the taxable property within the school district for the first year for which
6 the budget increase was adopted.

7 7. The proposed amount of revenues which will fund the increase in the
8 budget and which will be obtained from other than a levy of taxes upon the
9 taxable property within the school district for the first year for which the
10 budget increase was adopted.

11 8. The dollar amount and the purpose for which the proposed increase
12 in the budget is to be expended for the first year for which the budget
13 increase was adopted.

14 9. At least two arguments, if submitted, but no more than ten
15 arguments for and two arguments, if submitted, but no more than ten arguments
16 against the proposed increase in the budget. The arguments shall be in a
17 form prescribed by the county school superintendent and each argument shall
18 not exceed two hundred words. Arguments for the proposed increase in the
19 budget shall be provided in writing and signed by the governing board. If
20 submitted, additional arguments in favor of the proposed increase in the
21 budget shall be provided in writing and signed by those in favor. Arguments
22 against the proposed increase in the budget shall be provided in writing and
23 signed by those in opposition. The names of those persons other than the
24 governing board or superintendent submitting written arguments shall not be
25 included in the report without their specific permission, but shall be made
26 available only upon request to the county school superintendent. The county
27 school superintendent shall review all factual statements contained in the
28 written arguments and correct any inaccurate statements of fact. The
29 superintendent shall not review and correct any portion of the written
30 arguments which are identified as statements of the author's opinion. The
31 county school superintendent shall make the written arguments available to
32 the public as provided in title 39, chapter 1, article 2. A deadline for
33 submitting arguments to be included in the informational report shall be set
34 by the county school superintendent.

35 10. A statement that the alternate budget shall be adopted by the
36 governing board if the proposed budget is not adopted by the qualified
37 electors of the school district.

38 11. The full cash value, the assessed valuation and the estimated
39 amount of the secondary tax bill if the proposed budget is adopted for each
40 of the following:

41 (a) An owner-occupied residence whose assessed valuation is the
42 average assessed valuation of property classified as class three, as
43 prescribed by section 42-12003 for the current year in the school district.

(b) An owner-occupied residence whose assessed valuation is one-half of the assessed valuation of the residence in subdivision (a) of this paragraph.

(c) An owner-occupied residence whose assessed valuation is twice the assessed valuation of the residence in subdivision (a) of this paragraph.

(d) A business whose assessed valuation is the average of the assessed valuation of property classified as class one, as prescribed by section 42-12001, paragraphs 12 and 13 for the current year in the school district.

12. If the election is conducted pursuant to subsection L or M of this section, the following information:

(a) An executive summary of the school district's most recent capital improvement plan submitted to the school facilities board.

(b) A complete list of each proposed capital improvement that will be funded with the budget increase and a description of the proposed cost of each improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.

(c) The tax rate associated with each of the proposed capital improvements and the estimated cost of each capital improvement for the owner of a single family home that is valued at eighty thousand dollars.

C. For the purpose of this section, the school district may use its staff, equipment, materials, buildings or other resources only to distribute the informational report at the school district office or at public hearings and to produce such information as required in subsection B of this section, provided that nothing in this subsection shall preclude school districts from holding or participating in any public hearings at which testimony is given by at least one person for the proposed increase and one person against the proposed increase.

D. The elections prescribed in subsection A of this section shall be held on ~~a date prescribed by section 16-204~~ **THE FIRST TUESDAY AFTER THE FIRST MONDAY OF NOVEMBER** and shall be conducted as nearly as practicable in the manner prescribed in article 1 of this chapter, sections 15-422 through 15-424 and section 15-426, relating to special elections, except that:

1. The notices required pursuant to section 15-403 shall be posted not less than twenty-five days before the election.

2. Ballots shall be counted pursuant to title 16, chapter 4, article 10.

E. If the election is to exceed the revenue control limit and if the proposed increase will be fully funded by a levy of taxes upon the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify his desired choice. The ballot shall also contain the amount of the proposed increase of the proposed budget over the alternate budget, a statement that the amount of the proposed increase will be based on a percentage of the school district's revenue control limit in future years, if applicable, as provided in subsection P of this section and the following statement:

Any budget increase authorized by this election shall be entirely funded by a levy of taxes upon the taxable property within this school district for the year for which adopted and for ____ subsequent years, shall not be realized from monies furnished by the state and shall not be subject to the limitation on taxes specified in article IX, section 18, Constitution of Arizona. Based on an estimate of assessed valuation used for secondary property tax purposes, the proposed increase in the school district's budget over that allowed by law would result in an estimated increase in the school district's tax rate of _____ dollar per one hundred dollars of assessed valuation used for secondary property tax purposes and is in addition to the school district's tax rate which will be levied to fund the school district's revenue control limit allowed by law.

F. If the election is to exceed the revenue control limit and if the proposed increase will be fully funded by revenues from other than a levy of taxes upon the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify the voter's desired choice. The ballot shall also contain:

1. The amount of the proposed increase of the proposed budget over the alternate budget.

2. A statement that the amount of the proposed increase will be based on a percentage of the school district's revenue control limit in future years, if applicable, as provided in subsection P of this section.

3. The following statement:

Any budget increase authorized by this election shall be entirely funded by this school district with revenues from other than a levy of taxes on the taxable property within the school district for the year for which adopted and for ____ subsequent years and shall not be realized from monies furnished by the state.

G. Except as provided in subsection H of this section, the maximum budget increase which may be requested and authorized as provided in subsection E or F of this section or the combination of subsections E and F of this section is ten per cent of the revenue control limit as provided in section 15-947, subsection A for the budget year.

H. Special budget override provisions for school districts with a student count of less than one hundred fifty-four in kindergarten programs and grades one through eight or with a student count of less than one hundred seventy-six in grades nine through twelve are as follows:

1. The maximum budget increase that may be requested and authorized as provided in subsections E and F of this section is the greater of the amount prescribed in subsection G of this section or a limit computed as follows:

(a) For common or unified districts with a student count of less than one hundred fifty-four in kindergarten programs and grades one through eight, the limit computed as prescribed in item (i) or (ii) of this subdivision, whichever is appropriate:

(i)

Student Count	Small School Student Count Limit	Support Level Weight for Small Isolated School Districts	Phase Down Reduction Base Level	Factor
	- 125	$1.358 + (0.0005 \times (500 - \text{Student Count}))$	$\times \$$	$= \$$
	Phase Down Base	Phase Down Reduction Factor	Small Isolated School District Elementary Limit	
	\$150,000	- \$	= \$	

(ii)

Student Count	Small School Student Count Limit	Support Level Weight for Small School Districts	Phase Down Reduction Base Level	Factor
	- 125	$1.278 + (0.0003 \times (500 - \text{Student Count}))$	$\times \$$	$= \$$
	Phase Down Base	Phase Down Reduction Factor	Small School District Elementary Limit	
	\$150,000	- \$	= \$	

(b) For unified or union high school districts with a student count of less than one hundred seventy-six in grades nine through twelve, the limit computed as prescribed in item (i) or (ii) of this subdivision, whichever is appropriate:

(i)

Student Count	Small School Student Count Limit	Support Level Weight for Small Isolated School Districts	Phase Down Reduction Base Level	Factor
	- 100	$1.468 + (0.0005 \times (500 - \text{Student Count}))$	$\times \$$	$= \$$
	Phase Down Base	Phase Down Reduction Factor	Small Isolated District Secondary Limit	
	\$350,000	- \$	= \$	

(ii)

Student	Small School	Support Level Weight	Phase Down
Count	Student	for Small	Reduction
<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Base Level</u>
<u> </u>	- <u>100</u>	x 1.398 + (0.0004 x	x \$ <u> </u> = \$ <u> </u>
		(500 - Student Count))	
			Small
	Phase Down	Phase Down	School District
	<u>Base</u>	<u>Reduction Factor</u>	<u>Secondary Limit</u>
	\$350,000	- \$ <u> </u>	= \$ <u> </u>

(c) If both subdivisions (a) and (b) of this paragraph apply to a unified school district, its limit for the purposes of this paragraph is the combination of its elementary limit and its secondary limit.

(d) If only subdivision (a) or (b) of this paragraph applies to a unified school district, the district's limit for the purposes of this paragraph is the sum of the limit computed as provided in subdivision (a) or (b) of this paragraph plus ten per cent of the revenue control limit attributable to those grade levels that do not meet the eligibility requirements of this subsection. If a school district budgets monies outside the revenue control limit pursuant to section 15-949, subsection E, the district's limit for the purposes of this paragraph is only the ten per cent of the revenue control limit attributable to those grade levels that are not included under section 15-949, subsection E. For the purposes of this subdivision, the revenue control limit is separated into elementary and secondary components based on the weighted student count as provided in section 15-971, subsection B, paragraph 2, subdivision (a).

2. If a school district utilizes the provisions of this subsection to request an override of more than one year, the ballot shall include an estimate of the amount of the proposed increase in the future years in place of the statement that the amount of the proposed increase will be based on a percentage of the school district's revenue control limit in future years, as prescribed in subsections E and F of this section.

3. Notwithstanding subsection P of this section, the maximum period of an override authorized pursuant to this subsection is five years.

4. Subsection P, paragraphs 1 and 2 of this section do not apply to overrides authorized pursuant to this subsection.

I. If the election is to exceed the revenue control limit as provided in section 15-482 and if the proposed increase will be fully funded by a levy of taxes on the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify the voter's desired choice. The ballot shall also contain the amount of the proposed increase of the budget over the alternate budget, a statement that the amount of the proposed increase will be based on a percentage of the school district's revenue control limit in future years,

1 if applicable, as provided in subsection Q of this section, and the following
2 statement:

3 Any budget increase authorized by this election shall be
4 entirely funded by a levy of taxes on the taxable property
5 within this school district for the year for which adopted and
6 for _____ subsequent years, shall not be realized from monies
7 furnished by the state and shall not be subject to the
8 limitation on taxes specified in article IX, section 18,
9 Constitution of Arizona. Based on an estimate of assessed
10 valuation used for secondary property tax purposes, the portion
11 of the proposed increase in the school district's budget over
12 that allowed by law which will be funded by a levy of taxes upon
13 the taxable property within this school district would result in
14 an estimated increase in the school district's tax rate of
15 _____ dollar per one hundred dollars of assessed valuation
16 used for secondary property tax purposes and is in addition to
17 the school district's tax rate that will be levied to fund the
18 school district's revenue control limit allowed by law.

19 J. If the election is to exceed the revenue control limit as provided
20 in section 15-482 and if the proposed increase will be fully funded by
21 revenues other than a levy of taxes on the taxable property within the school
22 district, the ballot shall contain the words "budget increase, yes" and
23 "budget increase, no", and the voter shall signify the voter's desired
24 choice. The ballot shall also contain the amount of the proposed increase of
25 the proposed budget over the alternate budget, a statement that the amount of
26 the proposed increase will be based on a percentage of the school district's
27 revenue control limit in future years, if applicable, as provided in
28 subsection Q of this section and the following statement:

29 Any budget increase authorized by this election shall be
30 entirely funded by this school district with revenues from other
31 than a levy of taxes on the taxable property within the school
32 district for the year for which adopted and for _____ subsequent
33 years and shall not be realized from monies furnished by the
34 state.

35 K. The maximum budget increase that may be requested and authorized as
36 provided in subsection I or J of this section, or a combination of both of
37 these subsections, is five per cent of the revenue control limit as provided
38 in section 15-947, subsection A for the budget year. For a unified school
39 district, a common school district not within a high school district or a
40 common school district within a high school district that offers instruction
41 in high school subjects as provided in section 15-447, five per cent of the
42 revenue control limit means five per cent of the revenue control limit
43 attributable to the weighted student count in preschool programs for children
44 with disabilities, kindergarten programs and grades one through eight as
45 provided in section 15-971, subsection B.

1 L. If the election is to exceed the capital outlay revenue limit and
2 if the proposed increase will be fully funded by a levy of taxes upon the
3 taxable property within the school district, the ballot shall contain the
4 words "budget increase, yes" and "budget increase, no", and the voter shall
5 signify the voter's desired choice. An election held pursuant to this
6 subsection shall be held on the first Tuesday after the first Monday of
7 November. The ballot shall also contain the amount of the proposed increase
8 of the proposed budget over the alternate budget and the following statement:

9 Any budget increase authorized by this election shall be
10 entirely funded by a levy of taxes upon the taxable property
11 within this school district for the year in which adopted and
12 for _____ subsequent years, shall not be realized from monies
13 furnished by the state and shall not be subject to the
14 limitation on taxes specified in article IX, section 18,
15 Constitution of Arizona. Based on an estimate of assessed
16 valuation used for secondary property tax purposes, the proposed
17 increase in the school district's budget over that allowed by
18 law would result in an estimated increase in the school
19 district's tax rate of _____ dollar per one hundred
20 dollars of assessed valuation used for secondary property tax
21 purposes and is in addition to the school district's tax rate
22 which will be levied to fund the school district's capital
23 outlay revenue limit allowed by law.

24 M. If the election is to exceed the capital outlay revenue limit and
25 if the proposed increase will be fully funded by revenues from other than a
26 levy of taxes upon the taxable property within the school district, the
27 ballot shall contain the words "budget increase, yes" and "budget increase,
28 no", and the voter shall signify the voter's desired choice. An election
29 held pursuant to this subsection shall be held on the first Tuesday after the
30 first Monday of November. The ballot shall also contain the amount of the
31 proposed increase of the proposed budget over the alternate budget and the
32 following statement:

33 Any budget increase authorized by this election shall be
34 entirely funded by this school district with revenues from other
35 than a levy of taxes on the taxable property within the school
36 district for the year in which adopted and for _____ subsequent
37 years and shall not be realized from monies furnished by the
38 state.

39 N. If the election is to exceed a combination of the revenue control
40 limit as provided in subsection E or F of this section, the revenue control
41 limit as provided in subsection I or J of this section or the capital outlay
42 revenue limit as provided in subsection L or M of this section, the ballot
43 shall be prepared so that the voters may vote on each proposed increase
44 separately and shall contain statements required in the same manner as if
45 each proposed increase were submitted separately.

1 0. If the election provides for a levy of taxes on the taxable
2 property within the school district, at least thirty days prior to the
3 election, the department of revenue shall provide the school district
4 governing board and the county school superintendent with an estimate of the
5 school district's assessed valuation used for secondary property tax purposes
6 for the ensuing fiscal year. The governing board and the county school
7 superintendent shall use this estimate to translate the amount of the
8 proposed dollar increase in the budget of the school district over that
9 allowed by law into a tax rate figure.

10 P. If the voters in a school district vote to adopt a budget in excess
11 of the revenue control limit as provided in subsection E or F of this
12 section, any additional increase shall be included in the aggregate budget
13 limit for each of the years authorized. Any additional increase shall be
14 excluded from the determination of equalization assistance. The school
15 district governing board may, however, levy on the assessed valuation used
16 for secondary property tax purposes of the property in the school district
17 the additional increase if adopted under subsection E of this section for the
18 period of one year, two years or five through seven years as authorized. If
19 an additional increase is approved as provided in subsection F of this
20 section, the school district governing board may only use revenues derived
21 from the school district's prior year's maintenance and operation fund ending
22 cash balance to fund the additional increase. If a budget increase was
23 previously authorized and will be in effect for the budget year or budget
24 year and subsequent years, as provided in subsection E or F of this section,
25 the governing board may request a new budget increase as provided in the same
26 subsection under which the prior budget increase was adopted which shall not
27 exceed the maximum amount permitted under subsection G of this section. If
28 the voters in the school district authorize the new budget increase amount,
29 the existing budget increase no longer is in effect. If the voters in the
30 school district do not authorize the budget increase amount, the existing
31 budget increase remains in effect for the time period for which it was
32 authorized. The maximum additional increase authorized as provided in
33 subsection E or F of this section and the additional increase which is
34 included in the aggregate budget limit is based on a percentage of a school
35 district's revenue control limit in future years, if the budget increase is
36 authorized for more than one year. If the additional increase:

37 1. Is for two years, the proposed increase in the second year is equal
38 to the initial proposed percentage increase.

39 2. Is for five years or more, the proposed increase is equal to the
40 initial proposed percentage increase in the following years of the proposed
41 increase, except that in the next to last year it is two-thirds of the
42 initial proposed percentage increase and it is one-third of the initial
43 proposed percentage increase in the last year of the proposed increase.

1 Q. If the voters in a school district vote to adopt a budget in excess
2 of the revenue control limit as provided in subsection I or J of this
3 section, any additional increase shall be included in the aggregate budget
4 limit for each of the years authorized. Any additional increase shall be
5 excluded from the determination of equalization assistance. The school
6 district governing board, however, may levy on the assessed valuation used
7 for secondary property tax purposes of the property in the school district
8 the additional increase if adopted under subsection I of this section for the
9 period of one year, two years or five through seven years as authorized. If
10 an additional increase is approved as provided in subsection J of this
11 section, the increase may only be budgeted and expended if sufficient monies
12 are available in the maintenance and operation fund of the school
13 district. If a budget increase was previously authorized and will be in
14 effect for the budget year or budget year and subsequent years, as provided
15 in subsection I or J of this section, the governing board may request a new
16 budget increase as provided in the same subsection under which the prior
17 budget increase was adopted that does not exceed the maximum amount permitted
18 under subsection K of this section. If the voters in the school district
19 authorize the new budget increase amount, the existing budget increase no
20 longer is in effect. If the voters in the school district do not authorize
21 the budget increase amount, the existing budget increase remains in effect
22 for the time period for which it was authorized. The maximum additional
23 increase authorized as provided in subsection I or J of this section and the
24 additional increase that is included in the aggregate budget limit is based
25 on a percentage of a school district's revenue control limit in future years,
26 if the budget increase is authorized for more than one year. If the
27 additional increase:

28 1. Is for two years, the proposed increase in the second year is equal
29 to the initial proposed percentage increase.

30 2. Is for five years or more, the proposed increase is equal to the
31 initial proposed percentage increase in the following years of the proposed
32 increase, except that in the next to last year it is two-thirds of the
33 initial proposed percentage increase and it is one-third of the initial
34 proposed percentage increase in the last year of the proposed increase.

35 R. If the voters in a school district vote to adopt a budget in excess
36 of the capital outlay revenue limit as provided in subsection L of this
37 section, any additional increase shall be included in the aggregate budget
38 limit for each of the years authorized. The additional increase shall be
39 excluded from the determination of equalization assistance. The school
40 district governing board may, however, levy on the assessed valuation used
41 for secondary property tax purposes of the property in the school district
42 the additional increase for the period authorized but not to exceed ten
43 years. For overrides approved by a vote of the qualified electors of the
44 school district at an election held from and after October 31, 1998, the

1 period of the additional increase prescribed in this subsection shall not
2 exceed seven years for any capital override election.

3 S. If the voters in a school district vote to adopt a budget in excess
4 of the capital outlay revenue limit as provided in subsection M of this
5 section, any additional increase shall be included in the aggregate budget
6 limit for each of the years authorized. The additional increase shall be
7 excluded from the determination of equalization assistance. The school
8 district governing board may only use revenues derived from the school
9 district's prior year's maintenance and operation fund ending cash balance
10 and capital outlay fund ending cash balance to fund the additional increase
11 for the period authorized but not to exceed ten years. For overrides
12 approved by a vote of the qualified electors of the school district at an
13 election held from and after October 31, 1998, the period of the additional
14 increase prescribed in this subsection shall not exceed seven years for any
15 capital override election.

16 T. In addition to subsections P and S of this section, from the
17 maintenance and operation fund and capital outlay fund ending cash balances,
18 the school district governing board shall first use any available revenues to
19 reduce its primary tax rate to zero and shall use any remaining revenues to
20 fund the additional increase authorized as provided in subsections F and M of
21 this section.

22 U. If the voters in a school district disapprove the proposed budget,
23 the alternate budget which, except for any budget increase authorized by a
24 prior election, does not include an increase in the budget in excess of the
25 amount provided in section 15-905 shall be adopted by the governing board as
26 provided in section 15-905.

27 V. The governing board may request that any override election be
28 cancelled if any change in chapter 9 of this title changes the amount of the
29 aggregate budget limit as provided in section 15-905. The request to cancel
30 the override election shall be made to the county school superintendent at
31 least ten days prior to the date of the scheduled override election.

32 W. For any election conducted pursuant to subsection L or M of this
33 section:

34 1. The ballot shall include the following statement in addition to any
35 other statement required by this section:

36 The capital improvements that are proposed to be funded
37 through this override election are to exceed the state standards
38 and are in addition to monies provided by the state.

39 _____ school district is proposing to increase its
40 budget by \$_____ to fund capital improvements over and
41 above those funded by the state. Under the students first
42 capital funding system, _____ school district is entitled to
43 state monies for building renewal, new construction and
44 renovation of school buildings in accordance with state law.

2. The ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify the voter's desired choice.

3. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the Arizona legislative council. The director of the Arizona legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the Arizona legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.

X. If the voters approve the budget increase pursuant to subsection L or M of this section, the school district shall not use the override proceeds for any purposes other than the proposed capital improvements listed in the publicity pamphlet, except that up to ten per cent of the override proceeds may be used for general capital expenses, including cost overruns of proposed capital improvements.

Y. Each school district that currently increases its budget pursuant to subsection L or M of this section is required to hold a public meeting each year between September 1 and October 31 at which an update of the progress of capital improvements financed through the override is discussed and at which the public is permitted an opportunity to comment. At a minimum, the update shall include a comparison of the current status and the original projections on the construction of capital improvements, the costs of capital improvements and the costs of capital improvements in progress or completed since the prior meeting and the future capital plans of the school district. The school district shall include in the public meeting a discussion of the school district's use of state capital aid and voter-approved bonding in funding capital improvements, if any.

Z. If a budget in excess of the capital outlay revenue limit was previously adopted by the voters in a school district and will be in effect for the budget year or budget year and subsequent years, as provided in subsection L or M of this section, the governing board may request an additional budget in excess of the capital outlay revenue limit. If the voters in a school district authorize the additional budget in excess of the capital outlay revenue limit, the existing capital outlay revenue limit budget increase remains in effect.